UBS

REQUEST FOR PROPOSALS FOR THE PROVISION OF CITY / AIRPORT ADVISORY SERVICES RELATED TO A LEASE OF THE AIRPORT IN ACCORDANCE WITH THE FAA AIRPORT PRIVATIZATION PILOT PROGRAM (49 U.S.C. § 47134)

St. Louis Lambert International Airport

Response to RFP for Advisory Services

October 20, 2017

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Section 1

Introduction to UBS

UBS—An Integrated Global Financial Services Firm

Who we are...

UBS – one of the world's leading financial firms

The choice of clients worldwide

Global Finance 2017
Best Global Investment Bank

Global Finance 2017
Best Global M&A Bank

Global Finance 2016
Best Global Investment Bank

The Banker
Most Innovative Investment Bank for M&A

IFR Awards 2015
Investment Bank of the Year

Our global footprint...

UBS Investment Bank | UBS Wealth Management | UBS Global Asset Management

150+
Year heritage serving private, institutional and corporate clients worldwide

50+
Countries

60,000+
Employees

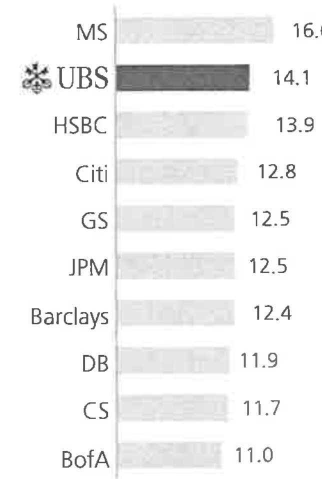
US$2.7tn
Invested Assets (WM & GAM)

>US$58bn
Market Capitalization

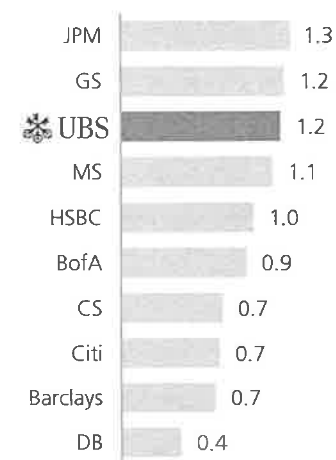
A1 / A+ / A+
Moody's / S&P / Fitch

Our capital position...

Tier 1 Capital Ratio (%)[1]



Price to Book Ratio (x)[2,3]



Source: FactSet as of 6/7/17
Notes:
1 Common Equity Tier 1 ratio
2 As at February 21, 2017
3 Book value for FY+1 year per consensus research

UBS—Our Services

Headquartered in Zurich and Basel, Switzerland, UBS has offices in more than 50 countries, including all major financial centers, and employs approximately 63,000 people. Under Swiss company law, UBS is organized as an Aktiengesellschaft, a corporation that has issued shares of common stock to investors. UBS AG is the parent company of the UBS Group of companies (the "UBS Group"). The operational structure of the Group comprises the Corporate Center and five business divisions: Wealth Management, Wealth Management Americas, the Investment Bank, Global Asset Management and Retail & Corporate.

UBS has a market capitalization of over $58 billion, long-term credit ratings of A1/A+/A+ (Moody's, S&P, Fitch, respectively), and invested assets of $2.7 trillion.

UBS

Wealth Management

Wealth Management delivers comprehensive financial services to wealthy private clients around the world except those served by Wealth Management Americas.

Its clients benefit from the entire spectrum of UBS resources, ranging from investment management to estate planning and corporate finance advice, in addition to specific wealth management products and services. An open product platform provides clients with access to a wide array of products from third-party providers that complement our own product lines.

Wealth Management Americas

Wealth Management Americas provides advice-based solutions through Financial Advisors who deliver a fully integrated set of products and services specifically designed to address the needs of ultra high net worth and high net worth individuals and families.

It includes the domestic U.S. business, the domestic Canadian business and international business booked in the U.S.

Investment Bank

The Investment Bank provides corporate, institutional, investor and wealth management clients with expert advice, innovative solutions, outstanding execution and comprehensive access to the world's capital markets.

It offers investment banking, research, equities, and foreign exchange services and has the global strength and industry experience to meet demanding client needs. Clients benefit from an integrated, solutions-led approach, combined with deep market insight, intellectual capital and global coverage and execution to help them to capture opportunities and manage risk.

Global Asset Management

Global Asset Management is a large-scale asset manager with businesses diversified across regions, capabilities and distribution channels.

It offers investment capabilities and styles across all major traditional and alternative asset classes including equities, fixed income, currencies, hedge fund, real estate, infrastructure and private equity that can also be combined into multi-asset strategies. The fund services unit provides professional services, including fund set-up, accounting and reporting for traditional investment funds and alternative funds.

Retail & Corporate

Retail & Corporate delivers comprehensive financial products and services to our retail, corporate and institutional clients in Switzerland.

It is an integral part of the universal bank model in Switzerland and delivers growth to our other businesses.
It supports them by cross-selling products and services provided by our asset-gathering and investment banking businesses, by referring clients to them and transferring clients to Wealth Management due to increased client wealth.

Section 2

UBS Approach to the Project

UBS

UBS Approach to the Project

UBS has extensive experience advising governments and government-related entities worldwide on infrastructure privatizations. We also have an excellent understanding of airports, having financed or advised on numerous transactions in the sector. UBS was the sole financial advisor to the Highstar and ASUR consortium which was selected in 2012 to operate Luis Muñoz Marín International Airport ("LMM") in San Juan, Puerto Rico, under a 40-year lease. LMM still is the only medium hub airport in the U.S. history to have been leased to a private operator under the Federal Aviation Administration's ("FAA") Airport Pilot Privatization Program. UBS also acted as financial advisor to bidders on the Chicago Midway Airport privatization processes in 2008 and 2013 (both ultimately abandoned).

Our approach to the proposed advisory assignment (the "Project") builds on the lessons learnt from all the relevant infrastructure transactions UBS has participated in globally over the last 10 to 15 years. We will work in conjunction with the City's other advisors to structure and execute a successful privatization process. UBS will be the main financial advisor to the City on the Project and the lead coordinator of the team of advisors that the City will appoint for the Project. However, we would suggest that the City engages directly its other advisors (legal counsel, technical and commercial consultants, and other advisors, as required). We hope to have the opportunity to discuss this approach with the City.

In most infrastructure sellsides or privatization mandates, we have worked seamlessly with a full suite of advisors, including lawyers; technical and commercial consultants; tax and accounting advisors; insurance companies; environmental and other experts. With regards to municipal finance aspects, we would be happy to rely on PFM Financial Advisor LLC ("PFM") and Siebert Cisneros Shank & Co., L.L.C. ("SCS"), as suggested by the City. We have discussed this approach with PFM and have included PFM's and SCS's joint credential and fee packet in Appendix B.

Being a rare opportunity to acquire a long-term lease of a major U.S. airport, we believe that the privatization process for the St. Louis Lambert International Airport (the "Airport") will attract a broad range of potential investors. Interested participants are likely to include airport operators, concession companies, and infrastructure investors (infrastructure funds, pension funds, insurance companies and sovereign wealth funds). The Airport has a unique investment case and a well-structured privatization process should be highly competitive.

Thanks to UBS' global footprint and its large dedicated team of infrastructure investment bankers in the Americas, Europe and Asia-Pacific, we have access to all the key airport investors and operators globally. We understand their approach and their requirements, which we will take into consideration when structuring the privatization process and designing the key terms of the lease and use agreements, whilst ensuring that the public sector interests are protected. Our network of infrastructure relationships and strong credibility in the sector make us the ideal financial advisor to bring this investment opportunity to the market.

We have assembled a large and highly experienced team for the Project. At the start of the Project, we will review the City's objectives, requirements and other considerations, as well as the work the City has done to date on the Project. We will also agree on a detailed work plan, timetable and allocation of responsibilities with the City and its other advisors. Work will commence immediately thereafter. Throughout the Project, UBS will ensure all the work streams progress as expected, through regular meetings, update calls, and presentations of work outputs. Senior UBS bankers will ultimately take responsibility for overall quality control and will remain involved throughout the Project.

Potential Process Structure

We believe that a two-stage competitive auction for the selection of the lessee would be suitable. It would also be similar to the process followed for the successful lease of Luis Muñoz Marín International Airport in Puerto Rico in 2013 (and for the two attempted privatizations of Chicago Midway Airport). We highlight below the main features of the envisaged process.

Qualification Phase

The main objective of this phase will be to enable the City to shortlist the best qualified prospective Airport lessees. Qualification criteria are likely to be divided into two main categories: (i) technical expertise and (ii) financial capability. Technical expertise would include knowledge of airport operations and development, experience in dealing with airport safety and security issues, and customer service credentials. Financial capability would include ability to arrange the debt and equity financing required to fund the deal, based on specific criteria around company turnover for corporations or assets under management for financial investors, for example. We will work with the City to draw up the list of qualification requirements that best suits its objectives.

The main document that the City will share with prospective proponents during that phase is a Request for Qualifications ("RFQ") that, in addition to providing details around the qualification criteria and process rules, will include a detailed description of the airport and the investment opportunity. We would suggest allowing up to two months from the issuance of the RFQ for responses.

Proposal Phase

During this phase, qualified proponents will be invited to offer an upfront payment to acquire the rights to operate the Airport, and collect all associated revenue, for the duration of the lease. Offers will be binding and proponents may be required to post a bid bond as further security.

A Request for Proposals ("RFP") will be sent to qualified proponents at the start of this phase. The RFP should provide details on the process, including any evaluation criteria other than the amount of the upfront payment. The draft lease agreement and the draft use agreement, including operating standards, will be shared with bidders during this phase. We would recommend that the City arrange briefing sessions with each proponent, as well as facilitate site visits and meetings with airlines and the FAA.

In addition to the upfront payment, we would expect the proponents' response to include further information on their technical expertise and a detailed description of their operating plan for the Airport.

The following page provides an indicative, high-level timelime for the qualification and proposal phases.

Alternative Process Structures

UBS will work with the City and its other advisors to structure a process that best suits its objectives. Alternatives to the process outlined above could be explored.

Indicative Timeline for the Privatization Process

Total process from start to finish: 12-21 months

Phase I
"Preparation for Privatization Process"

4-9 months

- Agreeing on the structure of the process with the City and the selected advisors
- Start preparing key diligence materials and populating the online data room with the relevant process and company documentation
- Develop a financial model on the basis of the Airport business plan
- Start drafting and preparing key documentation:
  - RFQ and RFP
  - lease agreement
  - airline use agreement
  - other sale documentation
- Simultaneously, start pre-marketing the opportunity to potential process participants
- Duration of this phase will largely depend on the pace of negotiations with the airlines and the work done to date by the City

Phase II
"Privatization Process"

8-12 months

Qualification Phase (1-2 months)

- Issue Request for Qualification to prospective lessees
- The City and its advisors to conduct the RFQ meetings with participating parties to assess their eligibility to be taken to the next stage
- RFQs to be submitted for analysis
- The City and its advisors to shortlist the proponents for the RFP stage

Proposal Phase (7-10 months: 4-6 months for RFP and 3-4 months for Regulatory Approvals)

- Issue the RFP and grant online data room access to the shortlisted proponents
- Start Q&A diligence process
- Conduct briefing sessions, site visits and meetings with FAA, airlines and the City for the shortlisted proponents
- Issue and negotiate the transaction documentation (lease agreement, airline use agreement and other transaction documentation) with participating bidders
- Bidders to submit final proposals
- The City and its advisors to analyze the submitted proposals and to select the preferred proponent
- The City to sign the lease agreement with the selected bidder
- Final proposal to be submitted to FAA for approval (including period for FAA questions/comments)
- Following the FAA and any other required approvals, closing of the Transaction

Section 3

Scope of Services

UBS

Scope of Services

Phase 1 "Preparation for Privatization Process"

Services	UBS Comments
Proposers shall have a global footprint as a firm and have offices within the continental United States along with the ability to demonstrate through prior work the firm's ability to attract qualified bidders on a global basis	• UBS is present in over 50 countries and has multiple offices in the US, including New York, Houston and San Francisco for the Investment Bank • UBS has an extensive global network of relationships with infrastructure investors and airport operators
Assist the City in developing and implementing a transaction process to deliver the best outcome for the City	• UBS has been involved in numerous high-profile infrastructure privatizations • Upfront preparation work will be critical
Assist the City in independently evaluating key elements of a potential lease of the airport	• UBS will help the City evaluate all aspects of the process, including striking the right balance between the private and public sector interests • Other advisors to be involved
Draft and evaluate the RFQ and RFP	• UBS will take the lead in drafting both documents
Develop the RFP response evaluation criteria	• UBS will help the City develop clear evaluation criteria, including ensuring that all participants are highly qualified • Other advisors to be involved
Develop the transaction documents, to include the Lease Agreement for the Airport, Airline Use Agreement(s) with the airlines operating at the Airport, and Airport Operating Standards	• UBS will work in conjunction with the selected legal and technical advisors
Lead on all aspects of the preparation and population of the online data room (including secure hosting by FA or subcontractor) and gathering and disclosing related due diligence, including any necessary environmental due diligence	• UBS will take the lead in organizing and compiling a comprehensive data room, which will save time in addressing bidder Q&A
Review, revise, and assist on a financial model for evaluating financial proposals and establishing baseline financial expectations for the City compared to similar transactions (the model should include all revenues and expenses with projections that can demonstrate the overall/detailed finances of the airport pre- and post-lease)	• The UBS team will build a highly detailed and flexible financial model that will allow for scenario analysis

Scope of Services

Phase 2 "Privatization Process"

Services	UBS Comments
Participate in RFQ meetings	• UBS will participate in all RFQ meetings
Recommend short-listed bidders to move on to RFP stage, with supporting analysis/report(s)	• UBS will prepare summaries of RFQ responses and make recommendations for discussion with the City
Lead the procurement process – e.g., bid conferences, bidder meetings, site visits, bidder Q&A, requests for clarification, collaborative dialogue meetings or the like	• UBS will lead and coordinate the whole procurement process
Negotiate transaction documents with selected bidder or bidders (note here it could be multiple negotiations, either parallel or serial)	• Our infrastructure and M&A experts will lead all discussions and negotiations with bidders
Recommend bid security arrangements (e.g., whether to require a bid bond and the amount of any such bond)	• UBS will review precedents and make recommendations
Airline briefings as periodically required	• UBS will participate in all airline meetings and briefings, as required
Provide/support stakeholder briefings as periodically directed by City	• Regular meetings or conference calls will be set up to keep all parties updated • UBS will prepare and support other briefings, as required
Provide/support Board of Aldermen, Board of Estimate and Apportionment and other briefings as periodically required and response to questions/clarifications	• UBS will prepare or support meetings and briefings as well as help answer questions, as required
Support/arrange and participate in community outreach as periodically required by or on behalf of the City	• UBS will help plan interaction with the public to maximize likelihood of constructive dialogue

Scope of Services

Phase 2 "Privatization Process"

Services	Comments
Analyze and score proposals	• UBS will prepare summaries of RFP responses and score the proposals, in conjunction with other advisors, as required
Thorough financial analysis of all proposals that allows comparison across proposals received	• UBS will analyze thoroughly all RFP responses
Evaluate the valuation of the Airport received	• UBS will review all offers received • Financial model prepared ahead of the process launch will serve as the basis for bid evaluation
Make a recommendation on the top and second bidder to the City and its advisors, and provide an accompanying presentation and do so without any reservation or conflict in providing secondary services–specifically no firm which seeks to engage shall conduct research, sales and trading, or be a fiduciary for outside capital or what is known as affiliated funds that would consider participating in a public-private partnership; the City is specifically seeking advice free and clear from conflict and as such the selected firm will provide advice and provide no other functions	• UBS will make recommendations and prepare a supporting presentation • UBS has information barriers in place to manage conflicts (we would be happy to discuss this further with the City)
Submit the Final Application to the FAA, in concert with the lessee selected via the procurement process	• To be done in conjunction with the City's selected legal advisor, as well as the lessee and its legal advisor
Support response to any relevant FAA comments/questions	• To be done in conjunction with the City's selected legal advisor, as well as the lessee and its legal advisor
Assist the City in evaluating options for application of any net proceeds of the proposed lease transaction	• To be discussed further to better understand the scope of this particular service
Support the City in protecting its interests while delivering a transaction that meets agreed upon criteria	• We will build on our experience advising governments and government-related entities on privatization to structure a transaction that protects the public interest

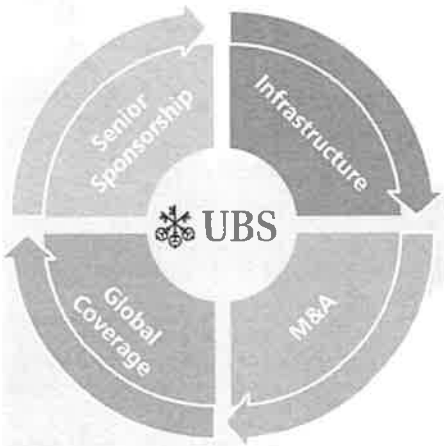
Section 4

UBS Team

UBS

UBS Team for the City of St. Louis

UBS has assembled a fully committed team to advise the City of St. Louis on its potential privatization of the Airport



UBS

Senior Sponsorship

Tom Naratil
President Americas and President
Wealth Management Americas
Member of Group Executive Board

Ros Stephenson
Co-Head of Global
Investment Banking
Group Managing Director

Global Infrastructure, Power & Utilities

Craig Edgar
Global Co-Head of Infrastructure,
Power & Utilities
Managing Director

Steven Wirth
Senior Advisor, Infrastructure
Managing Director

Yannick Da Ros
Infrastructure, Power & Utilities
Executive Director

Michael Gunzelmann
Infrastructure, Power & Utilities
Executive Director

Jorge Bonetti
Infrastructure, Power & Utilities
Director

Julia Dementyeva
Infrastructure, Power & Utilities
Associate Director

Dmytro Glynyanyy
Infrastructure, Power & Utilities
Analyst

Mergers & Acquisitions

Larry Grafstein
Co-Head of M&A, Americas
Managing *Director*

Jonathan Lurvey
Managing Director

Victoria Hardie
Executive Director

- time commitment

Section 5

Experience and Case Studies

UBS

UBS—Leading Global Infrastructure Franchise

UBS has an experienced infrastructure team with over 50 infrastructure professionals globally

No. 3 Global Infrastructure M&A

Rank	Advisor	Deal Value at Announcement (US$mm)	No.	Share (%)
1	Goldman Sachs	182,429	78	22.5
2	Citi	169,266	88	20.8
3	UBS	164,035	87	20.2[1]
4	Macquarie Group	118,089	115	14.5
5	BAML	110,250	67	13.6

Source: Dealogic
Note:
1 Period January 1999 to August 2017

Global Debt Fund Financing of the Year
Infrastructure Investor—Debt awards for excellence

Best Investment Bank in Infrastructure
Global Finance Magazine Awards 2015

Recent Key Transactions

Confidential

In Process
Sole Financial Advisor on a sale of a U.S. port business

Confidential

2017
Sole Financial Advisor on the successful purchase of a stake in a European hub airport

M6toll

2017
Sole Financial Advisor to lenders of the M6toll road concession on the sale of the company through the sale of their debt position to IFM Investors

Green Investment Bank

2017
Financial Advisor to the UK Green Investment Bank plc on its £2.3bn privatization by the UK Government

LUMOS | EQT

2017
Financial Advisor to Lumos Networks on its US$950mm sale to funds to EQT Infrastructure

CCC | AECON

2017
Exclusive Advisor to Aecon in the agreement with the Government of Bermuda to redevelop and operate L.F. Wade Airport for US$355mm and Lead Placement Agent in the financing with a US$285mm PP

RELIANCE Infratel | Brookfield

2016
Financial Advisor on the sale of Reliance Infratel to Brookfield Infrastructure for an upfront payment of US$1.6bn

ALPHA TRAINS

2016–Lead Debt Advisor on refinancing (€250mm + €350mm)
2016–Debt Advisor on the acquisition of 3 train fleets
2015–Ratings and Debt Advisor on €1.5bn refinancing

ADIA | SGN

2016
Sole Financial Advisor to subsidiaries of ADIA, in relation to its acquisition of a 16.7% stake in SGN from SSE for £621mm

QUBE | asciano

2016
Financial Advisor to Qube consortium on the AU$12.2bn acquisition of Asciano and Joint Lead Manager on its AU$800mm equity raising

eew

2016
Financial Advisor to Beijing Enterprises Holdings in relation to the acquisition of EEW energy from waste from EQT Infrastructure for approximately €1.8bn

J.P.Morgan Asset Management | koole

2015
Financial Advisor to J.P. Morgan Asset Management on the acquisition of Koole Terminals from EQT Infrastructure

Thames Tideway Tunnel | Thames Water

2015
Financial Advisor to Thames Water in the investment by Allianz, Amber Infrastructure, Dalmore Capital and DIF in the £4.2bn Thames Tideway Tunnel project

indiana TOLL ROAD

2015
Exclusive Financial Advisor on the US$5.73bn sale of the Indiana toll road to IFM Investors

Global Airports Experience

UBS is a leading investment bank in the airport sector

Confidential

2017
Undisclosed
Sole Financial Advisor on the successful purchase of a stake in an European hub airport

2017
Bermuda
Exclusive Advisor to Aecon to redevelop and operate L.F. Wade Airport for US$355mm and Lead Placement Agent in the financing with a US$285mm PP

2016
Russia
Joint Bookrunner and joint leader on the tender offer and concurrent new US$350mm 5.875% offering

2016
UK
Financial Advisor to a bidder on the potential acquisition of London City Airport

2016
UK
Joint Bookrunner on the CHF400mm bond offering for Heathrow Funding Ltd.

2015
Australia
Sole Lead Manager and underwriter to PSP Investments on its AU$406mm sell down of Sydney airport

2015
Ecuador
Exclusive sell-side Advisor to Aecon Group and ADC Management Ltd. on the US$325mm sale of their majority stake in Mariscal Sucre International Airport

2014
China
Financial Advisor to Beijing Capital International Airport Company (BCIA) on its RMB2.24bn (US$336mm) acquisition of T3D Assets from Parent Company

2013
UK
Sole Financial Advisor to NATS limited on the £143mm sale of a 49.9% stake in the Airline Group to USS Investment Management (USSIM)

2013
Russia
Joint Bookrunner and lead manager for Moscow Airport Domodedovo on its US$300mm debut eurobond offering

2013
Switzerland
Joint Bookrunner on a €200mm senior secured floating rate note for the Nuance Group

2013
US
Advisor to one of the bidders on the proposed Chicago Midway Airport privatization

2013
Australia
Sole Lead Manager and underwriter in relation to Abu Dhabi Investment Authority's US$381mm sell down of Sydney airport

2013
China
Sole Bookrunner on accelerated bookbuild offering of a 8.4% stake in Gemina for €176mm on behalf of Changi airports

2013
Switzerland
Joint Bookrunner for CHF400mm domestic bond issue for Flughafen Zurich

2013
New Zeland
Sole Lead Manager and underwriter in relation to Morrison & Co sell down of its 7.6% stake in Auckland International Airport

2013
Puerto Rico
Joint Bookrunner on US$350mm 22-year Senior Secured Notes private placement

2013
UK
Sole Financial Advisor to a bidder on the sale of London Stansted Airport

2013
Spain
Sole Financial Advisor to a financial sponsor bidding for Abertis Airports, including concessions for Orlando Sanford and Sangster

2013
Turkey
Financial Advisor to a bidder for GMR's stake in concession for Sabiha Gokcen Airport in Istanbul, Turkey

UBS

Infrastructure Privatization Experience

UBS has been involved in many high-profile infrastructure privatizations globally

Green Investment Bank
2017
Sole financial advisor to the UK Green Investment Bank on its £2.3 billion privatization and sale to a Macquarie Group led consortium

NSW The Treasury
2016
Financial advisor to NSW Treasury on the 99-year lease of 50.4% of Ausgrid at an implied enterprise value of A$20.7 billion to a consortium of investors

NSW The Treasury
2015
Financial advisor to NSW Treasury on the A$10.3 billion 99-year lease of TransGrid to a consortium of investors

HM Treasury / Eurostar
2015
Sole financial advisor to Her Majesty's Treasury in the sale of the UK Government's 40% stake in Eurostar for £585 million to CDPQ and Hermes

Green Investment Bank
2014
Sole financial advisor on the strategic review of GIB's £3.8 billion portfolio

QIC / Queensland Motorways
2014
Advisor to QIC in relation to the A$7.06 billion on the sale of Queensland Motorways on behalf of the State of Queensland's Defined Benefit Fund

Royal Mail
2013
Joint global coordinator and bookrunner for Royal Mail's IPO
2009
Advisor to UK government on potential part-privatization

NSW Ports
2013
Lead advisor to NSW Ports (an IFM led consortium) in its A$5.07 billion acquisition of 99-year leases Port Botany and Port Kembla

Infraero
2013
Financial advisor to a consortium bidding for privatizations of concessions for Rio and Belo Horizonte airports in Brazil

ANA Aeroportos de Portugal
2012
Lead arranger on the financing in support of a bidder for the privatization of ANA Aeroportos de Portugal

ASUR / Highstar Capital
2012
Sole financial advisor and joint lead manager to the Highstar/ASUR consortium on its successful bid for the US$615 million long-term concession of LMM Airport in San Juan

Etihad Rail
2012
Financial advisor to Etihad Rail in relation to its US$10 billion rail project

LCR / High Speed
2010
Sole financial advisor to London & Continental Railways on the sale of High Speed 1 for £2.1 billion

LCR / Eurostar
2010
Sole financial advisor to London & Continental Railways on the debt restructuring and subsequent incorporation of Eurostar

Saudi Railways Organization
2010
Joint financial advisor to the Kingdom of Saudi Arabia in relation to the Saudi Landbridge and BOT projects

QR National
2010
Joint Lead Manager on A$4.1 billion Australian IPO privatization of QR National by the Queensland Government

Transport for London / Tube Lines
2008–2010
Financial advisor to TfL on the Tube Lines financing and debt structure

Commonwealth of Puerto Rico
2009
Financial advisor to the Commonwealth of Puerto Rico with regard to potential Airport, Ports and Utilities PPP projects

Section 5.A

Experience and Case Studies

Privatization Case Studies

UBS

The NSW Electricity Networks Privatizations

UBS acted as advisor to NSW Treasury on the complex suite of NSW electricity networks transactions from scoping study phase to completion of the third transaction announced in May 2017 with a total implied EV over ~$40 billion

Key Transaction Highlights

1 The combined NSW electricity networks transactions (TransGrid, Ausgrid and Endeavour Energy) have a total implied EV of over ~$40 billion

- Cumulative gross proceeds realized by the State from the transactions were ~$34 billion[1], well above expectation
- Net proceeds to be invested in infrastructure projects across NSW
- Timely asset privatization program has also allowed the NSW Government to claim the lion's share of the Australian Government's asset recycling program benefits

2 Valuations achieved new highs in the Australian infrastructure space

- Largest government private-treaty transaction in Australia
- Largest regulated infrastructure transaction in Australia
- Highest EV/RAB multiple bid for a regulated utility electricity transmission and distribution asset in Australia in last 5 years
- Highest EV/EBITDA multiple bid for a regulated utility electricity transmission and distribution asset in Australia in last 5 years

1 **Best M&A Deal 2015** TransGrid

1 **Best M&A Deal 2016** Ausgrid

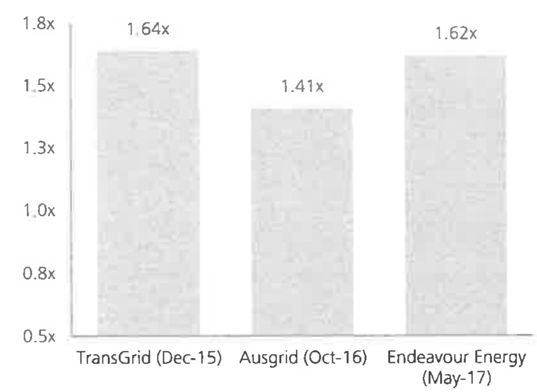
FinanceAsia

3 Comprehensive end to end delivery of three complex asset sales from scoping study phase to transaction completion in challenging contexts across 3 years

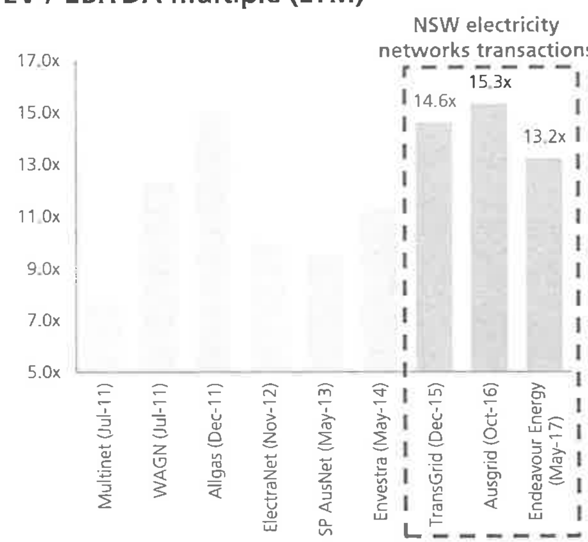
- Uncertain regulatory outcomes given ongoing appeals process
- Challenging foreign investment approvals backdrop
- Asset underperformance compared to regulatory allowances

Valuation Metrics

RAB multiple



EV / EBITDA multiple (LTM)[2]



Notes:
1 For Ausgrid and Endeavour transactions, gross proceeds comprised of 100% of debt arranged by consortium and 50.4% of equity, with the State retaining a 49.6% equity interest
2 Based on company disclosures, Independent expert reports and broker research

The NSW Electricity Networks Privatizations

Transaction Overview

- Sale of 49% interest across the State's regulated electricity network assets
- Sell down percentages based on regulated asset bases of each business, taking into account the 100% retention of Essential Energy. UBS structured percentages to:
  - maximize proceeds received by the State *(greatest equity interest sold in TransGrid—transmission entity which was the most sought after business)*
  - ensure off balance sheet treatment for the State *(majority stake sold down to support deconsolidation of debt)*
  - value of the State's retained interest *(protective governance regime)*

	TransGrid	Ausgrid	Endeavour Energy
	Completed in Dec 2015	Completed in Nov 2016	To be completed in June 2017

	TransGrid	Ausgrid	Endeavour Energy
% Leased to the Private Sector	100%	50.4%	50.4%
Enterprise Value	~$10.3 billion	~$20.7 billion[1]	~$9.8 billion[1]
Gross Proceeds to State	~$10.3 billion	~$16.2 billion[2]	~$7.6 billion[2]
Brief Description	Owner, operator and manager of the State transmission network	Comprises both electricity transmission and distribution network	Electricity distribution network
Location	NSW	Sydney, Central Coast and the Hunter region	Sydney, Blue Mtns, Sthn Highlands and Illawarra regions
End Customer Numbers	~7.0 million	~1.7 million	~1.0 million
Employees[3]	969	3,882	2,030
Network Length (km)	>12,900 (underground cables and high voltage transmission lines)	~49,000 (transmission lines, sub-transmission lines and high voltage and low distribution lines)	>36,600 (sub-transmission lines, high voltage and low voltage distribution lines)
RAB ($bn, June 2016)	6.2	14.7	6.0

UBS

Notes:
1 Implied enterprise value
2 Gross proceeds comprised of 100% of debt arranged by consortium and 50.4% of equity, with the State retaining a 49.6% equity interest
3 Directly employed full-time equivalent employees as at 30 June 2016. This figure does not include contractors

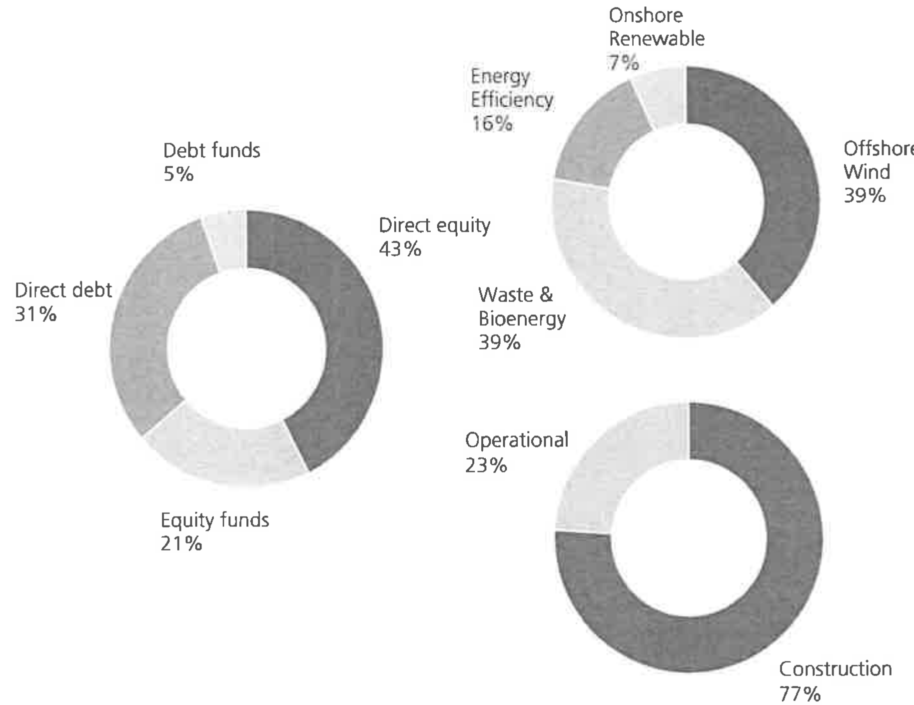
Green Investment Bank Privatization

UBS acted as financial advisor to the Green Investment Bank on its £2.3bn privatization by the UK Government

Green Investment Bank Overview

- **The UK Green Investment Bank ('GIB') was set up by the UK Government in 2012** with **£3.8bn committed funding** to **invest in and attract private capital into the UK's Green Infrastructure sector**
- **GIB is the first bank of its type in the world** and its model has since been replicated numerous times across the globe
- It is a key part of the UK's efforts to achieve its legally binding environmental targets and **operates primarily across 4 key sectors: Offshore Wind, Energy Efficiency, Waste and Bioenergy and Onshore renewables**
- GIB has **invested in 99 different green infrastructure projects** and **mobilised in excess of £12bn of capital** for the UK's green economy
- **GIB invests across the capital structure** into both debt and equity products, making **direct investments** as well as **managing third party capital** on behalf of public and private institutions
- **The UK Government has provided funding of £1.5bn** to-date allowing **GIB to make almost £2.5bn of total commitments**

Portfolio Breakdown



Green Investment Bank – Timeline

2012 | 2013 | 2014 | 2015 | 2016 | 2017

November 2012
GIB officially launches

December 2012
GIB makes its first investments

December 2013
UBS hired to complete strategic review for GIB

March 2014
GIB reaches £1bn total commitments

September 2014
UBS appointed as sole financial advisor to GIB on private capital raising

March 2015
GIB establishes UK Climate Investments JV with UK Government

April 2015
Announces launch of the world's first Offshore Wind Fund

June 2015
UK Government announces intention to raise private capital for GIB

March 2016
Launch of formal sale process for GIB

February 2017
Final close of Offshore Wind Fund with £1.1bn under management

February 2017
GIB reaches £2bn total commitments

April 2017
Announcement of formal agreement with Macquarie Group led consortium

Green Investment Bank Privatization

Transaction Highlights

- **UBS was appointed as independent financial and strategic advisor to GIB in 2013** to provide a strategic review of GIB's investment strategies, capital structure and financing options and to explore ways of positioning GIB to attract new private capital whilst maximising its green impact
- Following the strategic review, UBS was appointed as sole financial advisor to GIB on introducing private capital into the business in September 2014
- **UBS co-ordinated a 15 month pre-marketing effort across 4 continents** ahead of the formal privatization announcement publicised in March 2016
- Robust marketing resulted in an **attractive valuation of £2.3bn** being achieved from a **consortium led by Macquarie Group** following the completion of a competitive auction process
- The £2.3bn transaction value paid by Macquarie constitutes:
    - **£1.7bn transaction price**, a **£160mm premium** to the £1.5bn of capital injected by the UK Government to-date
    - **£0.6bn future funding commitments** for existing GIB projects
- This transaction **demonstrates the merits of UBS's long standing advisory relationships and its capability to advise through the complete life cycle of a company**, being the **only financial advisor appointed to advise GIB from its formation through to its eventual sale**
- Reinforces the **strength of UBS's multi-decade relationship with HM Government** and continued **leadership in UK public sector advisory**
- **UBS has led more transactions for HM Government, both in M&A and ECM, than any other bank** and in the past 5 years has held **leading roles in key infrastructure transactions** including Thames Tideway Tunnel, NATS, Eurostar, Royal Mail and HS1

Thames Tideway Tunnel ("TTT") Procurement Process

UBS acted as Lead Financial Advisor to Thames Water Utilities Ltd on the Procurement of the £4.2 billion TTT

Transaction Overview

- On July 14, 2015, TWUL announced that it had selected a preferred bidder to own, finance and deliver the £4.2 billion construction of the TTT
- The preferred bidder's shareholders are a consortium of investors comprising funds managed by:

Allianz Capital Partners | AMBER | DALMORE CAPITAL | DIF

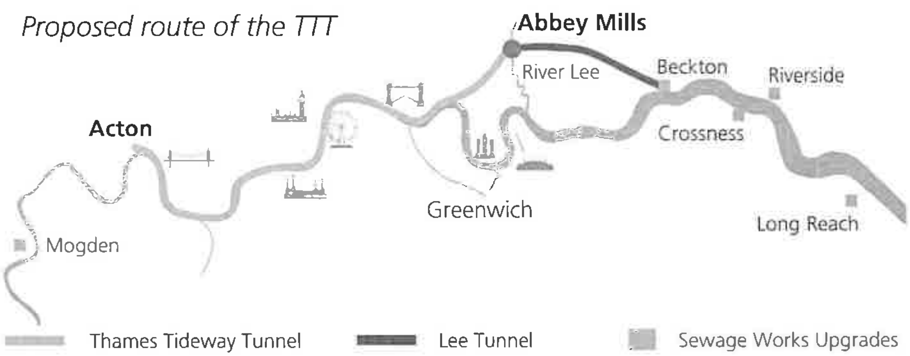
Lead Financial Advisor to TWUL

UBS

About the Thames Tideway Tunnel Project

- The Thames Tideway Tunnel Project involves the establishment of an entirely new, separately owned and independently regulated utility company that will be regulated by Ofwat
- The Thames Tideway Tunnel project will modernise London's sewerage system at an estimated cost of £4.2 billion, upgrading the system to cope with the demands of the city well into the 22nd century

Proposed route of the TTT



Transaction Highlights

- Transaction structure represents a pioneering approach to financing large-scale construction projects in the private sector at a cost of capital consistent with operational utility/infrastructure assets
- UBS provided extensive advice to TWUL on the structuring of the transaction to create an attractive investment proposition for both equity and debt investors
- UBS advised TWUL on the negotiation of bespoke economic regulation with Ofwat and a "Government Support Package" with HM Government for the TTT Project
- UBS provided ratings advice to deliver strong indicative credit rating for the TTT Project
- UBS conducted an extensive marketing process, attracting significant global interest in the transaction from direct investors, infrastructure funds and SWFs
- UBS designed and ran a bespoke bidding process to maximise competitive tension within the unique constraints of the Project's legal and regulatory environment
- Secured highly competitive cost of capital for the life of the construction of the TTT at 2.497%
- In 2014, UBS acted as liability management advisor in relation to TWUL's £8.5 billion consent solicitation process in relation to the TTT Project
- One of HM Government's top 40 projects in the UK's National Infrastructure Plan

Engagement with Key Stakeholders

Department for Environment Food & Rural Affairs | HM TREASURY | OFWAT | Thames Water

UK Government Disposal of 40% Eurostar Stake

UBS acted as sole financial advisor to the UK Government on the disposal of its stake in Eurostar for £585mm to Caisse de dépôt et placement du Québec and Hermes Infrastructure

Transaction Overview

- On March 4, 2015, the UK Government announced it had reached agreement for the sale of its entire interest in Eurostar International Limited ("Eurostar") for £757.1mm
  - Eurostar is Europe's leading high-speed rail operator
- A consortium comprising Caisse de dépôt et placement du Québec and Hermes Infrastructure has agreed to acquire Government's 40% stake in Eurostar for £585.1mm
- In addition, Eurostar has, on closing of the sale of the Government stake, agreed to redeem HMG's preference share, providing a further £172mm for the Exchequer
- UBS has had a long history with Eurostar and high speed rail in the UK. This includes advising the UK Government on the incorporation of Eurostar and on the highly successful £2.1bn sale of HS1 Ltd in 2010, as well as a long series of advisory and financing mandates for London & Continental Railways since the 1990s
- The Eurostar sale process attracted strong interest from infrastructure funds, pension funds, sovereign wealth funds and insurance companies, demonstrating the huge investor appetite for assets with stable and predictable cash flows
- The consortium entered into a new Shareholders' Agreement with existing shareholders SNCF who holds a 55% stake and SNCB who holds 5%
- Despite the challenges associated with selling a minority stake, the three-stage sale process was successfully completed in five months:
  - Pre-qualification: 3 weeks
  - Round 1—Indicative offers based on Information Memorandum: 1 month
  - Round 2—Final offers based on Vendor Due Diligence reports, electronic dataroom and management meetings: 2.5 months

"It's great that we have reached an agreement to sell the UK's shareholding in Eurostar that delivers a fantastic deal for UK taxpayers that exceeds expectations."

Chancellor of the Exchequer, George Osborne

"This sale, at a much higher price than market expectations, is a model example of how this government is securing great value for money for taxpayers."

Chief Secretary to the Treasury, Danny Alexander

UBS

High Speed 1 Sale

On November 5, 2010, the UK Government announced the sale of HS1 to Ontario Teachers' Pension Plan and Borealis Infrastructure

UBS acted as sole advisor to LCR (a company owned by the UK government) on the sale of HS1

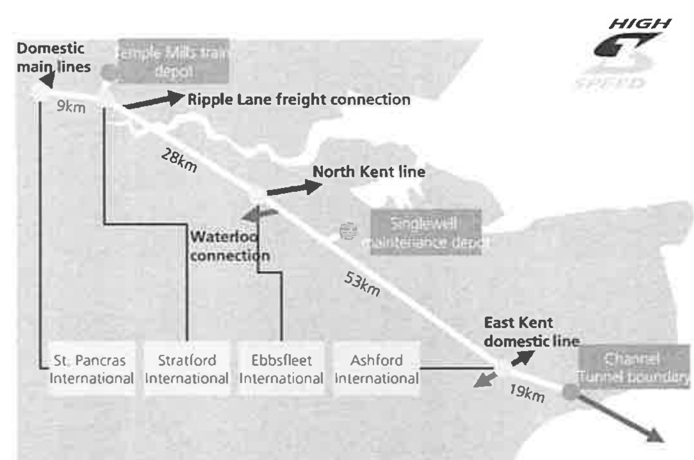
Transaction Overview

- High Speed 1 Ltd ("HS1 Ltd") holds the concession until 2040 to operate, manage and maintain the 109 kilometre High Speed line ("HS1") connecting London St. Pancras International to the Channel Tunnel
  - the HS1 infrastructure also includes the four stations along the route (St. Pancras International, Stratford International, Ebbsfleet International and Ashford International) and ancillary infrastructure
- The sale of HS1 was launched on June 21, 2010
  - competitive process which attracted significant demand among infrastructure investors
  - pre-qualification phase followed by auction process in 2 phases
- Ahead of launching the sale process, LCR and UBS had also developed a staple financing package to support the sale process
- Significant preparation (including comprehensive vendor due diligence reports and staple financing) also allowed a short and efficient process
  - helped drive momentum and competitive tension
  - less than 5 months from announcement to close
- On November 5, 2010, a consortium comprising Borealis Infrastructure and Ontario Teachers' Pension Plan was announced by the UK Secretary of State for Transport as the successful bidder in the sale of HS1
  - the acquisition valued HS1 at £2.1 billion

> "The £2.1 billion receipt exceeds the highest expectations for the sale and will make a welcome contribution to reducing the deficit"
>
> **Philip Hammond, Secretary of State for Transport**
> November 5, 2010

> "Two Canadian pension funds are to pay a higher-than-expected £2.1 billion for the right to run the UK's only dedicated high-speed rail line, in the first significant privatization of the new coalition government"
>
> **Financial Times**
> November 5, 2010

Asset Overview



Section 5.B

Experience and Case Studies

Airports Case Studies

UBS

L.F. Wade International Airport Redevelopment

UBS acted as the exclusive advisor to Aecon Concessions ("Aecon") in their agreement with the Government of Bermuda to redevelop and operate L.F. Wade International Airport ("BDA")

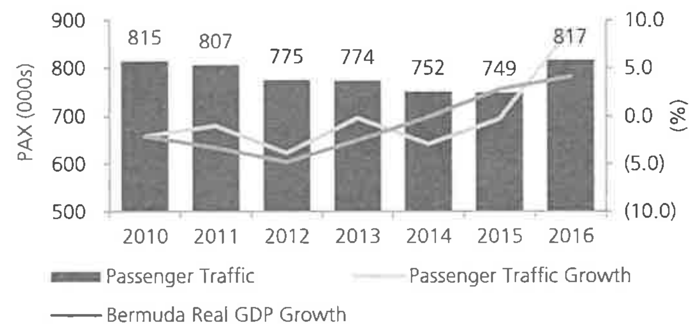
Asset Overview

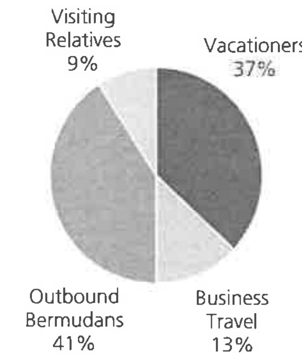
- Sole international airport serving the island of Bermuda
- Originally owned and operated by the Government of Bermuda
- Traffic almost exclusively O&D driven with ~50% directly related to Bermudian citizens and visiting friends & family from abroad
- Following Bermuda's tourism revitalization initiative, 2016 traffic grew 9% to 817 thousand PAX
  - airport redevelopment is a vital component of the revitalization plan

Redevelopment Highlights

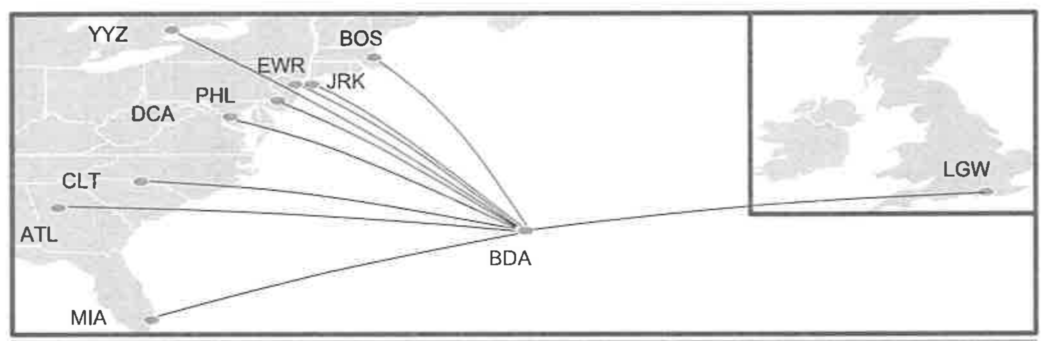
- Structured as a government-to-government agreement with **the Canadian Commercial Corporation ("CCC")**, a Canadian Crown Corporation, acting as facilitator and providing construction guarantees
- CCC, retained **Aecon**, Canada's largest publicly traded construction and concessions company, as a qualified party to construct and operate the airport
- Both parties engaged the Bermuda Government in bilateral negotiations for the redevelopment of the airport and the long-term concession of BDA operations, including:
  - 30-year concession term
  - pre-set fee-setting mechanism and government revenue guarantee
- Aecon established a special purpose concessionaire to finance, design, build, operate and maintain the new **~US$355 million** passenger terminal and associated facilities
- **UBS advised Aecon in the negotiation of the concession agreement as well as the arrangement and structuring of the private placement of US$285 million of 25-year senior secured, 5.90% fixed rate amortizing notes to finance the redevelopment**
- Project received final Parliamentary approval in February and achieved financial close on March 15, 2017

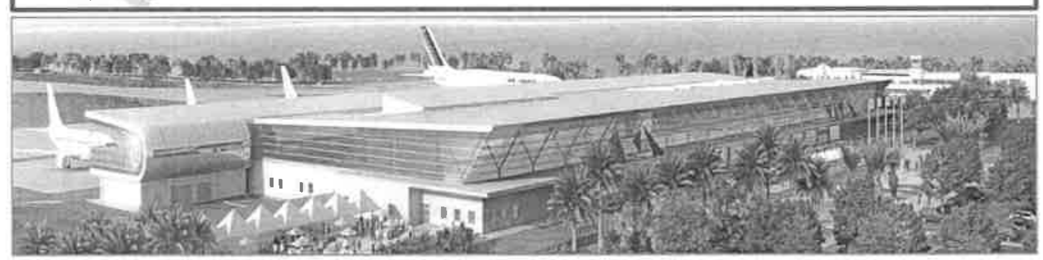
Commercial Traffic Trends and Composition





Route Network Map (Summer Schedule)





Luis Muñoz Marín Airport Privatization

UBS served as sole financial advisor and joint lead arranger to the winning bidder for the concession to operate the Luis Muñoz Marín International Airport P3 in San Juan, Puerto Rico

The LMM P3 is the first major commercial US airport to be transferred to private operation under the FAA pilot program

> "In contrast to other pilot program transactions, Aerostar's ability to make the upfront payment due at the closing under the lease is not contingent in any way on the receipt of debt financing. Specifically, in the event that there is a temporary shutdown in the global debt markets, Aerostar would still be able to close on the lease agreement
>
> **Aerostar Airport Holdings**
> FAA Airport Privatization Pilot Program—Final application

Overview of LMM Airport

- Luis Muñoz Marín International Airport ("LMM") is the primary commercial airport that serves the Commonwealth of Puerto Rico, located in the capital of San Juan
  - LMM is classified as a medium hub airport facility
- Key operational metrics
  - passengers—8.4 million (2011)
  - two runways (10,000ft and 8,016ft)
    - capacity to handle 40 operations per hour
  - 5 terminals, over 40 gates

Pre-Bid Financing Structuring

- As part of the LMM financing process, UBS ran a multi-pronged financing process including bank loans, bridge loans, tax-exempt and taxable bonds
- The project finance bank loan market was open for airport transactions of this type, but the terms being offered and uncertainty of reaching a successful close introduced unnecessary risk to the bid
- UBS determined that the optimal financing solution would be an 18-month bridge facility to be refinanced by a private placement financing
  - UBS provided 50% of the bridge and related acquisition facilities, with a total institutional commitment of nearly $200 million

Overview of the UBS Mandate

- UBS served as sole financial advisor and joint lead arranger
- UBS structured a landmark bridge-to-bond financing in support of the bid
- UBS served as joint placement agent on the $350 million US Private Placement acquisition financing
- UBS played a central role in the negotiation of the Lease Agreement and Airline Use Agreement
- The LMM transaction was the first major, commercial airport to be transferred to private operation under the FAA Pilot Privatization Program

Post-Bid Financing Announcements

- On September 19, 2012, Aerostar verified that they intended to issue a $350 million investment grade private placement, with a long tenor to attract institutional investors
  - the consortium had financing commitments in place including an 18-month, $350 million bridge loan, $50 million capex facility and a $10 million revolving credit facility
  - due to the long approval process between commercial and financial close, the bridge loan was not funded at all as bonds could be structured, marketed and priced between bid and close
  - Moody's assigned an investment grade rating of Baa3 to the planned issue
- The consortium contributed equity to cover the rest of the upfront payment, split evenly between ASUR and Highstar

Sale of Mariscal Sucre International Airport ("MSIA")

UBS acted as exclusive financial advisor to Aecon and ADC on the sale of their majority interest in MSIA in Quito, Ecuador

Transaction Overview

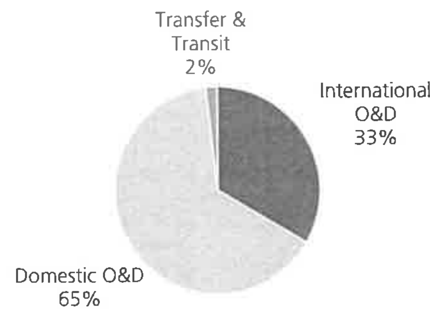
- On June 8, 2015, Aecon Group Inc. ("Aecon") (TSX:ARE) and ADC Management Ltd. ("ADC") executed binding agreements with Grupo Odinsa S.A. ("Odinsa"), and CCR S.A. ("CCR"), to sell their combined 54.5% interest in the Quito International Airport concessionaire, Corporacion Quiport S.A.("Quiport")
  - The monetization of Aecon's 45.5% stake achieved $232.6 million
  - The terms of ADC's 9% stake in Quiport and 100% stake in ADC&HAS Management LTD, the airport operator, were not disclosed
- UBS acted as exclusive sell-side advisor to Aecon and ADC on this transaction
- Aecon developed and financed the airport together with its partners, including Andrade Gutierrez Constructores S.A. ("Andrade Gutierrez")
  - In 2012, UBS provided valuation advice to a Special Committee of CCR's Board of Directors on its acquisition of a 45.5% stake in Quiport from Andrade Gutierrez
- On December 10, 2015, Aecon announced completion of the transaction
- After closing of the transaction, CCR and Odinsa owned equal stakes in both the concessionaire and the airport operator

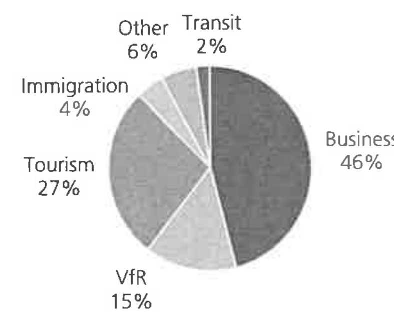
> "This project has an incredible history both as a landmark public-private partnership in Ecuador, and a remarkable greenfield airport built on a mountain plateau. It has been a pleasure working together with the people of Ecuador and the Canadian government to develop this successful project.
>
> **John M. Beck**
> Executive Chairman, Aecon Group Inc.

Overview of Mariscal Sucre International Airport

- The Mariscal Sucre International Airport began operations on February 20, 2013 with management executing a flawless overnight transition from the previous Quito Airport
  - modular design of terminal facilities allows for simple, low cost expansion of the passenger facilities
  - airport is operated under a 35-year concession, ending January 27, 2041

Traffic Mix





Representative Airlines

tame, LAN Airlines, AeroGal, Avianca, CopaAirlines, American Airlines, KLM, IBERIA, United Airlines

UBS

Section 5.C

Experience and Case Studies

Sale of Indiana Toll Road

UBS

Sale of the Indiana Toll Road to IFM Investors

UBS acted as exclusive financial advisor to the Special Committee[1] of the Board of Directors of Statewide Mobility Partners LLC on the sale of the Indiana Toll Road

Transaction Overview

- On March 11, 2015, IFM Investors entered into a definitive agreement with Statewide Mobility Partners LLC ("SMP") to acquire the ITR Concession Company LLC ("ITRCC") for $5.725 billion
- ITRCC, a subsidiary of SMP, holds the 75-year concession and lease to operate and maintain the Indiana Toll Road ("ITR") from the Indiana Finance Authority ("IFA")
- On September 22, 2014, ITRCC filed for Chapter 11 protection citing $6.1 billion of liabilities and proposing a prepackaged plan of reorganization
- The sale was a tremendous outcome for creditors of SMP and represented a ~95% recovery as well as an increase of ~25% above trading levels on the date when UBS was mandated to undertake the sale process

Strategic Rationale

- Unique, high quality transportation infrastructure asset
- Crucial transcontinental link connecting the Midwest's largest economic hubs to the East Coast; boasts a highly inelastic user base that lacks alternative routes
- Long-dated concession with 66 years remaining on the concession life and strong protections against new competing routes
- Highly favorable toll increase formula providing both downside protection during market downturns as well as upside opportunity as the economy expands

Key Highlights of UBS' Role

- UBS acted as Exclusive Financial Advisor to the Special Committee of the Board of Directors of SMP
- ITRCC was sold through a highly customized M&A auction process that leveraged UBS' extensive worldwide marketing capabilities to maintain competitive tension and successful execution under a compressed timeline
- The auction process involved the creation of marketing materials, leading management presentations & site-visits, working with the IFA, coordinating buyer due diligence and negotiating key terms and price with bidders
- The binding Purchase and Sale Agreement was signed within 6 days of receiving final bids
- Upon completion, the transaction was the largest infrastructure M&A transaction in North American history and the largest single toll road M&A deal ever completed*

Exclusive Financial Advisor to the Special Committee of the Board of Directors of Statewide Mobility Partners

UBS

Company and Asset Overview

- Statewide Mobility Partners LLC is the holding company which controls the ITR. The ITR is a 157-mile, limited access highway in the State of Indiana. The road spans northern Indiana, from its border with Ohio to the Illinois state line near Chicago. Over 10 million vehicles travel the full length of the road annually

Source: *InfraAmericas
Note:
1 Special Committee was appointed and authorized by the creditors of SMP to run the sale process

Section 6

Fee Proposal

UBS

Section 7

Proposer Identity & References

UBS

Proposer Identity

Propose Name: UBS Securities, LLC, a subsidiary of UBS AG

Address: 1285 Avenue of the Americas, New York, NY 10019

Tel: +1-212-821 3000

Proposer's History:

The scope and international reach of what UBS is today was largely shaped in the second half of the 20th century. In 1998, two of Switzerland's large banks, Union Bank of Switzerland and Swiss Bank Corporation ("SBC"), merged to form UBS. At the time of the merger, both banks were already well-established and successful in their own right. Union Bank of Switzerland's origins go back to the Bank in Winterthur founded in 1862. SBC's founding forebear, the Basler Bankverein, was established in 1872.

Total Number of Employees of Proposer: approximately 63,000 employees (UBS AG)

Appendix B

PFM and SCS:

Credentials and Fee Information (as provided by PFM and SCS)

UBS

Introduction

Members of the PFM Financial Advisor LLC ("PFM") team have served as Financial Advisor to the City of St. Louis (the "City") on all non-airport related matters since 1999 and as co-financial advisor to the City on airport matters since 2012. Siebert Cisneros Shank & Co., L.L.C. ("SCS") has served as Financial Advisor to the City for airport matters including 21 transactions totaling over $1.75 billion of bonds for St. Louis Lambert International Airport (the "Airport). Collectively our firms are extremely familiar with the operating and financial characteristics of the Airport.

PFM and SCS serve as the City's Independent Registered Municipal Advisor ("IRMA") for all matters related to municipal finance.

Both SCS and PFM have extensive experience in all aspects of municipal finance, as both firms are involved in all areas of the municipal market.

PFM is the nation's leading financial advisor; in recent years we have served as financial advisor on over $50 billion of bonds annually. PFM's Airport Group is also a leading advisor to U.S. airports, serving over 40 airport clients from Hawaii to the East Coast and some of the nation's largest international hubs as well as smaller regional airports. In just the last 3 years, PFM has advised on 59 airport bond transactions for approximately $12 billion in total par amount. In addition to advising on bond transactions, we provide a number of financial advisory services to our clients, including long-term financial planning on large capital programs and the evaluation of different delivery and financing mechanisms: from traditional airport-owned to various "P3" models.

SCS also serves as an underwriter on municipal financings, including serving in that role for numerous major airports. SCS has served as underwriter for over 42 different airports since 1996 for over $73 billion in par amount. SCS is ranked second in terms of managing underwriting volume for airports nationally for the past 5 years (2013 to 2017). Many of SCS's airport transactions are for repeat clients serving as a testament to the firm's structuring, banking and airport sector expertise.

In addition, both of our firms have extensive experience working on various types of "P3" projects, including the privatization of existing public assets for municipalities in a variety of sectors. Specifically, the City of Chicago retained SCS as a co-financial advisor in the successful privatization of the Chicago Downtown Parking System. SCS served as outside financial consultant to evaluate the potential for privatizing the Harris County Toll Road system as well as serving as financial advisor to the North Texas Tollway Authority on its successful $3.3 billion purchase to "reverse" the State Highway 121 Privatization Project. SCS worked with the Commonwealth of Massachusetts evaluating the state's transportation assets for potential P3 transactions. In 2010, SCS served as co-financial advisor to the Port of Oakland on its successful $686 million 50-year concession with PortsAmerica. Lastly while at a prior firm, our Head of Investment Banking, Gary Hall, served as sell-side advisor to the City of Los Angeles for its privatization of its parking system and as an advisor on the Denver Regional Transportation District's $2.2 billion Eagle public-private partnership. Likewise, PFM has advised the states of New Jersey, Pennsylvania, Connecticut, Ohio, Indiana and Virginia in the development and implementation of their P3 programs, and has advised many clients on P3 projects involving a diverse universe of assets. The firm's P3 engagements include concessions for seaports, commuter and downtown parking; CNG fueling stations for transit and commercial use; broadband and wireless communications; water and wastewater systems; university student housing; and high occupancy and managed lanes on interstate highways. Furthermore, members of the PFM team have been involved in airport P3s while employed at other firms. Together PFM and SCS will insure that the City's core objectives for this APPP project are clearly defined and that the ensuing procurement and contract are structured to achieve those goals.

SCS and PFM have developed a very close working relationship during our years of serving as the City's co-financial advisors on Airport matters. We would intend to continue that close, essentially seamless working relationship on the APPP project.

PFM / SCS—Services and Team

The Services PFM/SCS Would Provide

We have reviewed the Scope of Services contained in the City's Request for Proposals (the "RFP"). PFM's and SCS' experience and services are aligned with most of the consultant tasks listed in the RFP, and our proposed fee quote reflects our expectation of active and substantive involvement in providing those services. We would plan to review the division of work and deliverables called for in the RFP once the City has selected its advisory team.

The Services PFM/SCS Would Provide

SCS and PFM would assign a team of highly-experienced professionals to our team for the City's APPP project. Members of the SCS/PFM team would be assigned to specific tasks, as appropriate, over the life of the engagement. In addition to having experience working with the City, the members of our team are very experienced in areas such as airport finance, P3 projects, the capital markets, and interacting with the federal government on major federal programs. We have provided below a brief background on the various members of our team:

PFM	Siebert Cisneros Shank
City of St. Louis Account Manager **Rebecca Perry-Glickstein (Project Lead)** *Director; 30+ years of experience*	**City of St. Louis Account Managers** **Suzanne Shank (Senior Oversight)** *Chairwoman & CEO; 30 years of experience* **David Thomson (Project Lead)** *Managing Director; 30+ years of experience*
PFM Airport Group **Kenneth Fullerton** *Managing Director; 35+ years of experience*	**SCS Airport Group** **Sewon Kim** *Managing Director; 20 years of experience*
Brian Gallucci *Director; 10+ years of experience*	**David Stinfil** *Vice President; 7 years of experience*
William Case *Director; 15+ years*	**Sheldon Epps** *Vice President; 3+ years of experience*
PFM P3 Experts **Mary Francoeur** *Managing Director; 30+ years*	**SCS P3 Experts** **Gary Hall** *Partner; 25+ years of experience*
Tim Carden *Managing Director; 30+ years*	**Astrid Fernandes** *Associate; 2+ years of experience*
Tom Morsch *Managing Director; 30+ years*	

PFM / SCS—Team's Proposed Fee

As stated in the RFP, we understand that our firms will not be paid for our services until the successful completion of the APPP project. At that time, we would expect to be paid an amount based on the formula below, plus reimbursement of our accumulated out-of-pocket expenses. Upon the successful completion of the APPP project, SCS and PFM would each be paid the greater of:

1. 30% of the aggregate advisory team fees (to be split 15% to SCS and 15% to PFM),
2. $1 million to SCS and $1 million to PFM.

Our team is prepared to refine our fee proposal with the leader of the winning team, including if the opportunity arises to be compensated for our services on an on-going basis during the development period of this privatization process.

Lastly, we are providing this material to all interested RFP respondents on a non-exclusive basis. We ask that you do not edit this material and please include all of this material in your RFP response.

Appendix C

Legal Acknowledgements and Disclaimer

UBS

Proposer Certification

The undersigned agrees and understands that this proposal and all attachments, additional information, etc. submitted herewith constitute merely an offer to negotiate with the City and is NOT A BID. Submission of this proposal, attachments, and additional information shall not obligate or entitle the proposing entity to enter into a service contract with the City for the required services. The undersigned agrees and understands that the City is not obligated to respond to this proposal nor is it legally bound in any manner whatsoever by the submission of same. Further, the undersigned agrees and understands that any and all proposals and negotiations shall not be binding or valid against the City, its directors, officers, employees, or agents unless a contract is signed by a duly authorized officer of the City Counselor's Office.

It is understood and agreed that the City reserves the right to reject consideration of any and all proposals including, but not limited to, proposals which are conditional or incomplete. It is further understood and agreed that the City reserves all rights specified in the Request for Proposals.

It is represented and warranted by those submitting this proposal that except as disclosed in the proposal, no officer or employee of the City is directly or indirectly a party to or in any other manner interested in this proposal or any subsequent service agreement that may be entered into.

UBS Securities, LLC

By:

Name: Craig Edgar

Title: Managing Director

By:

Name: Yannick Da Ros

Title: Executive Director

Certificate of Authority—Limited Liability Company

INCUMBENCY CERTIFICATE

I, Margaret Heckler, Assistant Secretary of **UBS Securities LLC**, a Delaware limited liability company, (the "Company"), and keeper of the Company's Corporate Records, do hereby certify that Craig Edgar and Yannick Da Ros, holding the rank of Managing Director and Executive Director, respectively, are duly appointed officers of the Company and are authorized to execute documents on behalf of the Company. I further certify that attached hereto and made a part hereof as **Exhibit A**, are the true and correct copies of the aforementioned officers' specimen signatures.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of October, 2017.

M. Heckler

Margaret Heckler
Assistant Secretary

State of Connecticut:

ss: **City of Stamford**

County of Fairfield:

On this the 17th day of October, 2017, before me, Judit Matuz, the undersigned Connecticut Notary Public, personally appeared Margaret Heckler, who acknowledged herself to be an Assistant Secretary of UBS Securities LLC, and that she as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing her name on behalf of said company, as an Assistant Secretary thereof.

Judit Matuz

JUDIT MATUZ
NOTARY PUBLIC
MY COMMISSION EXPIRES JUNE 30, 2021

Judit Matuz
Notary Public
Date Commission Expires: 6/30/2021

Certificate of Authority—Limited Liability Company

EXHIBIT A

Craig Edgar
Managing Director

Yannick Da Ros
Executive Director

Appendix D

UBS Form of Engagement Letter

UBS

DRAFT

* THE PROPOSER BELIEVES THAT THIS INFORMATION IS PROTECTED FROM DISCLOSURE UNDER THE STATE SUNSHINE LAW

[October 20, 2017]

CONFIDENTIAL

City Counselor's Office Department
1200 Market Street
Room 314
St. Louis, MO 63103

Ladies and Gentlemen:

1. UBS Securities LLC ("UBS") is pleased to act as exclusive financial advisor to the City of St. Louis (together with its affiliates and subsidiaries, the "City") and to render such financial advice as may be agreed upon by the City and UBS related to the opportunity to lease the St. Louis Lambert International Airport ("Airport") in accordance with the Federal Aviation Administration's ("FAA") Airport Privatization Pilot Program ("APPP Program") pursuant to 49 U.S.C. § 47134 ("Transaction"). This letter agreement (the "Agreement") confirms the terms of our engagement. The term of UBS' engagement hereunder shall commence on October 20th, 2017 (the "Effective Date") and continue until [October 20, 2019] (the "Term").

The services covered by this Agreement do not include transactions such as business acquisitions or dispositions or other corporate transactions (including restructurings or recapitalizations) in which UBS participates at the City's request and for which it is customary to pay additional fees to financial advisors, nor do the services covered hereby include the rendering of fairness opinions. If such a transaction or the need for a fairness opinion does arise during the Term, the City agrees to retain UBS to render such services on terms as shall be mutually agreed to by UBS and the City.

2. For UBS' services hereunder, the City agrees to pay fees to UBS in cash as follows:

Success Fee

a) A success fee to be the greater of 0.4% of the Transaction Value and $5,000,000 (the "Success Fee"), payable promptly upon Completion.

For the purpose of the fee calculation, the Transaction Value should be defined as the upfront lease payment offered by the Airport lessee.

"Completion" means closing of the Airport lease transaction, following the approval of the Final Application by the FAA, the receipt of all requisite local approvals and the payment of all consideration as described on page 12 of the "Request for Qualifications / Proposals for a Lease of St. Louis Lambert International Airport in Accordance with the FAA Airport Privatization Pilot Program" (49 U.S.C. § 47134).

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Whether or not any transaction is consummated, in addition to any fees payable to UBS, the City will reimburse UBS, upon its request from time to time, for all expenses incurred by it in entering into and performing services pursuant to this Agreement, including the fees, disbursements and other charges of its legal counsel.

3. Except to the extent legally required (after consultation with, and approval as to form and substance by, UBS and its counsel), none of (i) the name of UBS, (ii) any advice rendered by UBS to the City, or (iii) the terms of this Agreement or any communication from UBS in connection with the services performed by UBS pursuant to this Agreement will be quoted or referred to orally or in writing, or in the case of (ii) and (iii), reproduced or disseminated, by the City or any of its affiliates or any of their agents, without UBS' prior written consent.

4. The City will furnish UBS with such information as UBS believes appropriate to its assignment (all such information so furnished being the "Information"). The City recognizes and confirms that UBS (a) will use and rely primarily on the Information and on information available from generally recognized public sources in performing the services contemplated by this Agreement without having assumed responsibility for independently verifying the same, (b) does not assume responsibility for the accuracy, completeness or reasonableness of the Information and such other information and (c) will not make an appraisal of any assets or liabilities (contingent or otherwise) of the City. To the best of the City's knowledge, the Information to be furnished by or on behalf of the City, when delivered, will be true and correct in all material respects and will not contain any material misstatement of fact or omit to state any material fact necessary to make the statements contained therein not misleading. The City will promptly notify UBS if it learns of any material inaccuracy or misstatement in, or material omission from, any Information previously delivered to UBS.

5. As a further inducement to UBS for accepting this engagement, the City agrees that, during the Term and for a period of [36] months after the Term, UBS or its affiliates shall have a right of first refusal to act as exclusive placement agent, sole book-running lead manager, sole arranger, exclusive financial advisor, and sole structuring agent, arranger and counterparty, as the case may be, in connection with any (a) private placement or public offering of equity, equity-linked or debt (including, without limitation, asset-backed) securities of the City, (b) financing with any bank, insurance company or other financial institution, (c) acquisition or disposition transaction for which the City will engage a financial advisor, (d) other investment banking transaction for which the City will engage a financial advisor or financial institution, including, without limitation, any recapitalization, restructuring, stock repurchase or extraordinary dividend or (e) interest rate, currency and foreign exchange, equity-related, commodity or other derivative or hedging arrangements or treasury product services (including spot FX)). If UBS or its affiliates provide any such additional services, then the City and UBS or such affiliates will enter into a separate agreement containing terms and conditions, including appropriate indemnification and fee provisions, customary for UBS and mutually agreed upon by the City and UBS.

6. UBS' services hereunder may be terminated by the City or UBS upon 10 days prior written notice without liability or continuing obligation of the City or UBS, except that UBS shall be entitled to the fees payable pursuant to Section 2 hereof [and the right of first refusal contemplated by Section 5 hereof] in accordance with the terms

thereof and except that expenses incurred by UBS as a result of services rendered prior to the date of the termination shall become immediately payable in full, and provided that Sections 3, 4 (other than the first sentence thereof), 6, 7, 11, 12, 13 and 14 hereof shall remain operative and in full force and effect regardless of any termination.

7. The obligations of the City hereunder shall be the joint and several obligations of the entities comprising the City.

8. UBS may, at its own expense, place customary tombstone announcements or advertisements in financial newspapers and journals describing its services hereunder.

9. The City acknowledges and agrees that UBS has been retained to act solely as an advisor to the City, and not as an advisor to any other person, and the City's engagement of UBS is not intended to confer rights upon any person (including shareholders, employees or creditors of the City) not a party hereto as against UBS or its affiliates, or their respective directors, officers, employees or agents, successors, or assigns. UBS shall act as an independent contractor under this Agreement, and not in any other capacity including as a fiduciary, and any duties arising out of its engagement shall be owed solely to the City.

10. UBS AG (the parent of UBS) and its subsidiaries, branches and affiliates (the "UBS Group") are involved in a wide range of commercial banking, investment banking and other activities (including wealth and investment management, corporate finance and securities issuing, trading and research) from which conflicting interests or duties, may arise. Information which is held elsewhere within UBS or within the UBS Group but of which none of the individuals in the Investment Banking Department of UBS involved in providing the services contemplated by this engagement actually has (or without breach of internal procedures can properly obtain) knowledge, will not for any purpose be taken into account in determining UBS' responsibilities to the City under this engagement. Neither UBS nor any other part of the UBS Group will have any duty to disclose to the City or utilize for the City's benefit any non-public information acquired in the course of providing services to any other person, engaging in any transaction (on its own account or otherwise) or otherwise carrying on its business. In addition, in the ordinary course of business, UBS, its affiliates and its and their respective employees may trade the securities of the City for its own account and for the accounts of customers, and may at any time hold a long or short position in such securities.

11. The City agrees to the indemnification and other agreements set forth in the Indemnification Agreement attached hereto, the provisions of which are incorporated herein by reference and shall survive the termination, expiration or supersession of this Agreement.

12. THIS AGREEMENT AND ANY CLAIM, COUNTERCLAIM OR DISPUTE OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF OR IN ANY WAY RELATING TO THIS AGREEMENT ("CLAIM"), DIRECTLY OR INDIRECTLY, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EXCEPT AS SET FORTH BELOW, NO CLAIM MAY BE COMMENCED, PROSECUTED OR CONTINUED IN ANY COURT OTHER THAN THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE CITY AND COUNTY OF

NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, WHICH COURTS SHALL HAVE EXCLUSIVE JURISDICTION OVER THE ADJUDICATION OF SUCH MATTERS, AND THE CITY AND UBS CONSENT TO THE JURISDICTION OF SUCH COURTS AND PERSONAL SERVICE WITH RESPECT THERETO. THE CITY HEREBY CONSENTS TO PERSONAL JURISDICTION, SERVICE AND VENUE IN ANY COURT IN WHICH ANY CLAIM ARISING OUT OF OR IN ANY WAY RELATING TO THIS AGREEMENT IS BROUGHT BY ANY THIRD PARTY AGAINST UBS OR ANY INDEMNIFIED PARTY. EACH OF UBS AND THE CITY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING OR CLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR IN ANY WAY RELATING TO THIS AGREEMENT. THE CITY AGREES THAT A FINAL JUDGMENT IN ANY PROCEEDING OR CLAIM ARISING OUT OF OR IN ANY WAY RELATING TO THIS AGREEMENT BROUGHT IN ANY SUCH COURT SHALL BE CONCLUSIVE AND BINDING UPON THE CITY AND MAY BE ENFORCED IN ANY OTHER COURTS TO THE JURISDICTION OF WHICH THE CITY IS OR MAY BE SUBJECT, BY SUIT UPON SUCH JUDGMENT.

13. This Agreement (including the attached Indemnification Agreement) embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect or any other provision of this Agreement, which will remain in full force and effect. This Agreement may not be amended or otherwise modified or waived except by an instrument in writing signed by both UBS and the City. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

14. This Agreement (including the attached Indemnification Agreement) shall be binding upon the City and UBS and their respective successors and assigns and any successor or assign of any substantial portion of the City's or UBS' respective businesses and/or assets.

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If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below, whereupon this Agreement and your acceptance shall constitute a binding agreement between us.

Very truly yours,

UBS SECURITIES LLC

By: ______________________________
[Name]
[Title]

By: ______________________________
[Name]
[Title]

Accepted and agreed to
with effect from the Effective Date:

City Counselor's Office Department

By: ______________________________
[Name]
[Title]

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UBS Securities LLC Indemnification Agreement

[October 20, 2017]

UBS Securities LLC
1285 Avenue of the Americas, 10th Floor
New York, New York 10019

Ladies and Gentlemen:

In connection with the engagement of UBS Securities LLC ("UBS") to advise and assist the undersigned (together with its affiliates and subsidiaries, referred to as the "City") with the matters set forth in the Agreement, dated the date hereof, between the City and UBS (the "Agreement"), in the event that UBS becomes involved in any capacity in any claim, suit, action, proceeding, investigation or inquiry (including, without limitation, any shareholder or derivative action or arbitration proceeding) (collectively, a "Proceeding") in connection with any matter in any way relating to or referred to in the Agreement or arising out of the matters contemplated by the Agreement, including, without limitation, related services and activities provided prior to the date hereof, the City agrees to indemnify, defend and hold UBS harmless to the fullest extent permitted by law, from and against any losses, claims, damages, liabilities and expenses in connection with any matter in any way relating to or referred to in the Agreement or arising out of the matters contemplated by the Agreement, including, without limitation, related services and activities provided prior to the date hereof, except to the extent that it shall be determined by a court of competent jurisdiction in a judgment that has become final in that it is no longer subject to appeal or other review that such losses, claims, damages, liabilities and expenses resulted solely from the gross negligence or willful misconduct of UBS. In addition, in the event that UBS becomes involved in any capacity in any Proceeding in connection with any matter in any way relating to or referred to in the Agreement or arising out of the matters contemplated by the Agreement, the City will reimburse UBS for its legal and other expenses (including the cost of any investigation and preparation) as such expenses are incurred by UBS in connection therewith.

If such indemnification were not to be available for any reason (other than due to the gross negligence or willful misconduct of UBS to the extent finally judicially determined), the City agrees to contribute to the losses, claims, damages, liabilities and expenses involved (i) in the proportion appropriate to reflect the relative benefits received or sought to be received by the City and its stockholders and affiliates and other constituencies, on the one hand, and UBS, on the other hand, in connection with the matters contemplated by the Agreement or (ii) if (but only if and to the extent) the allocation provided for in clause (i) is for any reason held unenforceable, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the City and its stockholders and affiliates and other constituencies, on the one hand, and the party entitled to contribution, on the other hand, as well as any other relevant equitable considerations; provided that, in no event shall the City contribute less than the amount necessary to assure that UBS is not liable for losses, claims, damages, liabilities and expenses in excess of the amount of fees actually received by UBS pursuant to the Agreement. The City agrees that for the purposes of this paragraph the relative benefits received, or sought to be received, by the City and its stockholders and affiliates and other constituencies, on the one hand, and the party entitled to contribution, on the other hand, in connection with the matters contemplated by the Agreement shall be deemed to be in the same proportion that the total value received or paid or contemplated to be received or paid by the City or its stockholders or affiliates and other constituencies, as the case may be, as a result of or in connection with the matters (whether or not consummated) for which UBS has been retained to perform financial services bears to the fees paid to UBS under the Agreement. Relative fault shall be determined by reference to, among other things, whether any alleged untrue statement or omission or any other alleged conduct relates to information provided by the City or other conduct by the City (or its employees or other agents), on the one hand, or by UBS, on the other hand. The City will not settle any Proceeding in respect of which indemnity may be sought hereunder, whether or not UBS is an actual or potential party to such Proceeding, without UBS' prior written consent. For purposes of this Indemnification Agreement, UBS shall include UBS Securities LLC, any of its affiliates, each other person, if any, controlling UBS or any of its affiliates, their respective officers, current and former directors, employees and agents, and the successors and assigns of all of the foregoing persons. The foregoing indemnity and contribution agreement shall be in addition to any rights that any indemnified party may have at common law or otherwise.

The City agrees that neither UBS nor any of its affiliates, directors, agents, employees or controlling persons shall have any liability to the City or any person asserting claims on behalf of or in right of the City in connection with or as a result of either UBS' engagement under the Agreement or any matter referred to in the Agreement, including, without limitation, related services and activities provided prior to the date hereof, except to the extent that it shall be determined by a court of competent jurisdiction in a judgment that has become final in that it is no longer subject to appeal or other review that any losses, claims, damages, liabilities or expenses incurred by the City resulted solely from the gross negligence or willful misconduct of UBS in performing the services that are the subject of the Agreement.

THIS INDEMNIFICATION AGREEMENT AND ANY CLAIM, COUNTERCLAIM OR DISPUTE OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF OR IN ANY WAY RELATING TO THIS AGREEMENT ("CLAIM"), DIRECTLY OR INDIRECTLY, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. EXCEPT AS SET FORTH BELOW, NO CLAIM MAY BE COMMENCED, PROSECUTED OR CONTINUED IN ANY COURT OTHER THAN THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE CITY AND COUNTY OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, WHICH COURTS SHALL HAVE EXCLUSIVE JURISDICTION OVER THE ADJUDICATION OF SUCH MATTERS, AND THE CITY AND UBS CONSENT TO THE JURISDICTION OF SUCH COURTS AND PERSONAL SERVICE WITH RESPECT THERETO. THE CITY HEREBY CONSENTS TO PERSONAL JURISDICTION, SERVICE AND VENUE IN ANY COURT IN WHICH ANY CLAIM ARISING OUT OF OR IN ANY WAY RELATING TO THIS AGREEMENT IS BROUGHT BY ANY THIRD PARTY AGAINST UBS OR ANY INDEMNIFIED PARTY. EACH OF UBS AND THE CITY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING OR CLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR IN ANY WAY RELATING TO THIS AGREEMENT. THE CITY AGREES THAT A FINAL JUDGMENT IN ANY PROCEEDING OR CLAIM ARISING OUT OF OR IN ANY WAY RELATING TO THIS AGREEMENT BROUGHT IN ANY SUCH COURT SHALL BE CONCLUSIVE AND BINDING UPON THE CITY AND MAY BE ENFORCED IN ANY OTHER COURTS TO THE JURISDICTION OF WHICH THE CITY IS OR MAY BE SUBJECT, BY SUIT UPON SUCH JUDGMENT. [INCLUDE THE FOLLOWING IF THE COMPANY IS A FOREIGN CORPORATION: THE CITY HEREBY APPOINTS, WITHOUT POWER OF REVOCATION, [COMPANY TO SPECIFY AGENT IN THE US, ADDRESS] AS ITS AGENT TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.]

The foregoing Indemnification Agreement shall remain in full force and effect notwithstanding any termination of UBS' engagement. This Indemnification Agreement may be executed in two

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or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

Very truly yours,

CITY OF ST. LOUIS, MISSOURI

By:____________________________
[Name]
[Title]

Accepted and agreed to as of
the date first above written:

UBS SECURITIES LLC

By:____________________________
[Name]
[Title]

By:____________________________
[Name]
[Title]

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